DOCUMENT RESUME

ED 157 614 PS 010 021

TITLE [Rate Justification for Child Care.]
INSTITUTION Community Coordinated Child Care (4-C) for Central Florida, Inc., Orlando.
PUB DATE Jun 78
NOTE 33p.

EDRS PRICE MF-$0.83 HC-$2.06 Plus Postage.
DESCRIPTORS *Agency Role; *Child Care; Child Care Centers; *Cost Effectiveness; *Costs; *Day Care Services; Tables (Data)
IDENTIFIERS *Florida; Social Security Act Title XX

ABSTRACT

This brief report argues against the cost analysis process currently used as a form of rate justification by states and central agencies who are purchasing child care. Instead, a logic is proposed for negotiated rates based on expected levels of necessary costs and reasonable rates in comparison with open market levels as shown on day care centers' published rate cards. Three short papers related to these issues are included: (1) a brief rationale for predicting necessary and reasonable rates based on requirements and regulations, accompanied by an extensive breakdown of minimum child care costs in Orange County, Florida; (2) a comparison of Title XX reimbursement of child care center rates schedules in two Florida counties; and (3) a position statement on Florida standards of child care and payments for purchase of child care. (Author/JMB)

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ED157614

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[Rate Justification for Child Care.]

AN ARGUMENT

TO OPPOSE: The Cost Analysis process as a form of Rate Justification

and

TO SUBMIT: Logic for negotiated rates based on expected levels of cost necessary, and reasonable rates in comparison with open market levels as shown on centers published rate cards

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TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC) AND USERS OF THE ERIC SYSTEM."

Published by

Community Coordinated Child Care for Central Florida, Inc.
June 1978

Enclosed: **Child Care Rate Justification, Prediction of Necessary and Reasonable Rates based on Requirements and Regulations.** 4C May, 1978

Comparison of Title XX Reimbursement to Child Care Center Rates Schedules. 4C March, 1978

Florida Standards of Child Care, Payments for Purchase of Child Care. 4C February, 1978.

PS 010021

The Purchaser (State or central agency) needs to know:
what child, how many days, what center, center's rate, parents' fee, donor identity, level of eligibility, actual attendance, for every child provided child care.

Knowing the costs at the child care center has nothing to do with the above. And items above, if not tracked and documented, could be falsified.

Analysis should be made by the Purchaser of necessary cost expectation based on square feet of space needed in what value location, number of adults required at what level pay, supplies required to meet standards, toys, food, transportation, health insurance, liability insurance costs, and other necessary costs. These should be considered in formulating cost expectation . . . all before any rate is offered to the Purchaser by the Provider of care.

Or, the Purchaser could examine the components of programs being provided to the fee-paying public in the area, determine the amount the public is paying for that service, and agree to pay the same amount for the same service as the fee-paying public. This process of buying child care off the published rate card and documenting that there is no over-payment is the most cost effective system and the most beneficial to children. In the rate card process of rate justification the agency's entire concentration is put upon evaluation of the service the child receives, comparing that service to standards required for the use of the federal funds.

The State takes it upon itself to do work the Provider should do if it undertakes to analyze the monthly costs of every center, especially in light of the fact that such information is useless, and must be supplemented with an understanding of necessary costs for standards also.

The state need not be staffed to manage and review the bookkeeping systems of child care centers from whom they purchase a service. This management should be expected of the centers themselves. Instead of being drawn into the technical assistance and monitoring of bookkeeping systems, the State should expect the Provider to keep management in order enough to provide service.

The State, through its Central Agency, must quantify services to be purchased, measure reasonableness of rates offered, identify necessary cost levels. Find it. Buy it. Inspect the service.

It would be quite possible to justify unnecessarily high rates using the process of cost reporting for rate setting. In this system there is no comparison to:

reasonable rate to be expected
or
the customary rate for the same service in
the same neighborhood.

Indeed, there is often cost escalation due to the cost reporting process of rate establishment itself. This is called higher cost due to higher standards met, but it is actually higher cost due to more dollars available, since rate is set according to what the provider is able to budget and plan to spend.

Such a process has no regard for children.
Often such a high cost center, focusing on budgets and cost reporting and planning for allowable expenditures instead of program, provides less 1:1 child affection. To measure the care received by the child placed you must look at the components of the day for the child, not the management of the organization and its budget.

Since 1975 4C for Central Florida, Inc. has published annually a Cost Breakdown giving the components of child care for cost purposes and documenting cost levels in Central Florida. Such a tool as this is useful in enabling Purchaser to know whether the rates offered are within the level of reason and necessity. Such a tool simply confirms that the fee-paying public is paying a rate which is necessary and allows acceptance of the rate card published by each center and used to sell space to the fee-paying public as documentation enough for the Purchaser to pay the same rate as the fee-paying public in that center.

Another document published by 4C in March 1978 documents a savings possible to the Purchaser if the maximum allowable rate were eliminated and the rate cards used fully, paying the first child rate published at the centers, and accepting the published reduction offered by most centers for additional children in the same family, which savings the State has thus far refused.

Following papers are:

Child Care Rate Justification, Prediction of Necessary and Reasonable Rates based on Requirements and Regulations. 4C for Central Florida, Inc. May, 1978.

Comparison of Title XX Reimbursement to Child Care Center Rate Schedules. 4C for Central Florida, Inc. March, 1978.

Florida Standards of Child Care, Payments for Purchase of Child Care. 4C for Central Florida, Inc. February, 1978.

CHILD CARE RATE JUSTIFICATION

Prediction of necessary and reasonable rates,
based on requirements and regulations.

4C for Central Florida, Inc.

May 1978

CHILD CARE RATE JUSTIFICATION

Prediction of necessary and reasonable rates, based on requirements and regulations.

When child care is to be purchased rather than operated directly by the agency administering public funds, some process must be applied to determine the reasonableness of the rate offered to the administering agency by the provider, and necessary cost which should be expected by the administering agency in order to expect a required level of performance.

There is a cost of care per child week which is the minimum that can be incurred by a provider at each level of performance standards. Simply put: if the standards require one adult for each ten children, and the federal law requires each adult be paid at least minimum wage, then 1/10 of minimum wage per hour is the least cost which can be incurred for that child for that budget item. Applying the same process to each item required by standards will yield the minimum cost necessary for each child to be placed.

Then, understanding that personnel must have wage increases for years of service, etc., and that in any geographic area wage levels, cost of space and other items are set by demand and supply of personnel and trained personnel, observation of the status quo in the area as to available trained and non-trained personnel, job market, space available, etc., the agency may judge how much the irreducible necessary cost may increase and still be considered reasonable.

if child care can be purchased in the same neighborhood at the same quality standards at substantially less cost than the rate offered then the reasonableness of the offer must be questioned.

In short, the administering agency must define what it wants to buy, and establish some range of what it could expect cost to be, before it can evaluate the rates offered by any provider.

Justification of rates based on the provider's cost analysis is limiting, and places the purchasing agency in danger of making unnecessary high payments for a service which could be purchased elsewhere for less. This cost analysis process for rate justification is presently written into the process for Title XX contracting for the coming year and is a process which 4C finds unacceptable. Not only does the cost analysis means of "rate justification" not give the administering agency any usable information on comparative costs and program purchased, the process itself so invades the self-respecting providers own business management as to produce not better child care but less of the agency's capability to purchase care for welfare children on the open market.

The following pages present an analysis of costs to be expected, according to regulations now in effect and component requirements for acceptable quality performance.

Comments:
Over eight years of study 4C for Central Florida, Inc., has found cost effective performance requires 50 to 100 children enrolled to justify space overhead. Therefore, the following data is arranged to reflect a center of 100 capacity in an urban area. Note that charts showing children present and staff present are suited to office and business areas. In a migrant farm area, where parents leave children at centers in time for parents to be in the fields at sun-up, and return for their children leaving the fields at sundown, centers must have full staff present by 6:00 a.m. and until 8:00 p.m. These added staff hours are experienced by some centers in Central Florida, but are not calculated in the costs shown here. Centers absorb them by spending less on other items listed.

There is no profit shown. Some profit centers realize profit by combining the tasks of clerk and bookkeeper, or director and cook, or owner and janitor. Some do not pay health insurance for employees.

Note, however, that the cost of food at $3.00 per week is included in these charts. Centers which receive reimbursement from U.S.D.A. are receiving that amount in addition to other payments, while for-profit centers are not. Note also that the cost of space is very low. Some centers receive free buildings, some own their own paid-for buildings. Those who must pay mortgage payments are of necessity spending less on some other items.

4C feels strongly that these variations are acceptable, that each center is different and has a right and a responsibility to be different from others. These charts are drawn only to give this agency a stereotyped expectation of the necessary cost per child and an understanding of what might be a reasonable offer.

In the stereotype children are divided into groups of 20. The spacious feeling in large rooms which will accommodate 20 children at 25 sq. ft. usable space per child is desirable. If groups were limited to ten or even fifteen, at the same ratio of square feet, the very spacious feeling of the room is lost. Conversely, with smaller groups an intimate feeling is produced, but costs for personnel cannot be consolidated and the spacious feeling must be found entirely outdoors. In Florida, where so much activity can be outdoors so many months of the year, groups might be different than in northern states. Outdoor space is sometimes unlimited, but must be a minimum of 45 square feet of usable play space per child outdoors at any time.

As the price of property varies widely according to location, this study takes the average of several locations, but cautions that the agency wishing to buy space for children in an area where property is at a premium must allow for that cost or arrange plans to add transportation and buy the care elsewhere.

In Florida in 1978 Title XX pays to the subcontracting center a maximum of $28.25 per pre-school child week and $31.65 per infant child week. In a center which utilizes a free building and receives U.S.D.A. food service reimbursement, a center in which minimum wage is paid throughout without increase for quality, training or longevity, these amounts are adequate. In rural centers they are not. To purchase care from a for-profit center without additional compensation for food is automatically to force that center to reduce some other costs. These reductions can be seen by monitoring visitors who are knowledgeable about child care costs and programs.

Costs on the following pages were compiled from annual cost figures supplied by several cooperating centers. They would not be useful to compare to monthly costs of any single center, but are useful only as a comprehensive evaluation of variable components in an effort to identify necessary and reasonable costs.

COST BREAKDOWN

MINIMUM COSTS FOR CHILD CARE
ORANGE COUNTY, FLORIDA
JANUARY 1978

THESE COSTS DO NOT REPRESENT AN IDEALIZED CENTER, BUT RATHER THE TYPICAL, STEREOTYPED, CENTER FOR 100 CHILDREN AS IT IS FOUND IN ORANGE COUNTY TODAY

THE CENTER MEETS THE FLORIDA MINIMUM STANDARDS AND IS ACCEPTED AS EXCELLENT BY THE PUBLIC

COMMUNITY COORDINATED CHILD CARE FOR CENTRAL FLORIDA, INC.
816 BROADWAY, ORLANDO, FLORIDA 32803

COST BREAKDOWN

Following is a justification of costs for child care within the child care center, adding central service costs of 4C.

		per child per week
Cost of staffing and supplying classrooms and office	Infant	41.04
	Pre School	32.96

See pp. 3,5,7. Based upon 100 children enrolled.
Salaries used in model are according to recommendations on pg. 10.

Central Services — Provided for 4,000 children in 104 child care centers

Educational Coordinator
Specialist in Early Childhood Education serves all centers. Assists in development of the environment, staff training, curriculum planning.

Health Services — Registered Nurse serves all centers, with coordination through Health Dept.

Social workers — one for each 400 families, assists directors in their counseling with parents, locates needed special services, visits homes. Determines family eligibility for child care payment assistance.

Bookkeeping assistance — needed for small center business operations. Prepare and manage funding procedure, payment assistance to center for individual families and reimbursement by state/fed.

Materials, audio visuals, assistance in purchasing Toy library.

Fund raising, public relations, donations, Information & Referral.

Weekly per child cost of central services	1.80
Minimum total cost of care for Infant	42.84
Minimum total cost of care for Pre School child	34.76
Annual cost per Infant	2,227.68
Annual cost per Pre School children	1,807.52

These are cost figures which are reasonable and necessary for centers funded with Title XX, and are in accord with those now charged by profit and non-profit child care operations in Orange County at this date.

Costs within a center vary according to:

the required staffing ratios - State Minimum Standards of 1974
the established minimum wage @ 2.65
the size of the center
the age of the children
the hours of operation (longer in farm areas)
the qualifications, therefore pay scales, of personnel
(figures in this cost breakdown assume aides are paid at minimum wage, though after a year or more of service many should be increased above minimum wage in pay due to time in grade)
the donations of equipment and volunteers' time received
the services received from a central office and from other agencies.

The costs analyzed here provide the necessary basic elements for a satisfactory program. It provides these elements on a per-child basis.

All that these figures provide are the essentials per child, especially staff enough and supplies enough for that child.

To justify the cost of supplies per child, see the budget formula p. 9.

CHILD CARE CENTER
COSTS OF OPERATION

These costs are calculated for a center of 100 children, urban, using minimum wage at 2.65 and assuming 4C central services are available for: curriculum materials, teacher training, health services, social work, bookkeeping assistance, etc.

100 children enrolled	Cost per Center Per Year	Cost per Child Per Week
Director	9,000.00	1.73
Cook @3.00 30 hours	4,680.00	.90
Bookkeeper @3.00 20 hours	3,120.00	.60
Janitor @3.50 40 hours	7,280.00	1.40
Clerk @2.65 30 hours	4,134.00	.80
Utilities and Phone	5,000.00	.96
Use of Space/Maintenance of Building	1,500.00	.29
Liability/Fire Insurance	1,300.00	.25
Maintenance of Equipment	600.00	.11
Equipment Purchase	200.00	.04
Staff Health Insurance 14 employees @120.00 ea.	1,680.00	.32
Staff Training	500.00	.10
Parent Programs & Projects	200.00	.04
Audit	500.00	.10
Soc. Sec., Workmen's Comp. Unemployment	2,000.00	.38
Total	41,694.00	8.02
Classroom Costs, per child age 0-2	33.02	
Classroom Costs, per-child age 2-6	24.94	
Total Center Costs child age 0-2	41.04	
Total Center Costs child age 2-6	32.96	

STAFFING PATTERN
ADMINISTRATIVE OF CENTER

Director	7:00	3:00
Clerk	7:00	1:00
Bookkeeper	2:00	6:00
Janitor	9:00	5:00
Cook	9:00	3:00

Breakfast and snacks are prepared by clerk (AM) and cook (PM) and served in the rooms (or outdoors) by teachers.

Meals are prepared, pre-frozen. Cook heats, serves, cleans up.

Bookkeeper works on books and records 2:00 - 3:00 daily, then staffs reception desk till 6:00 P.M.

Lead teacher teaches Kindergarten class till noon, then consults with other teachers, plans overall program 12:00 - 3:00 each day.

PATTERN FOR STAFFING, INFANTS

20 infants enrolled

1 adult for each 5 infants present at all times: Minimum Standard Requirements

ratio for room, 1 to 4
total ratio these children, 1 to 3 (assign 50% of director, clerk, cook, janitor to this group)

40 hour week

| | | |

Cost Breakdown: Infants

Expense	Cost Per Child Per Week
.25 of aide @ 106.00 (accounts for personnel child weeks in room)	26.50
1/20 difference between aide's pay and teacher's pay @ 132.00 (incl.)	1.30
diapers	1.00
nursery supplies	.29
kitchen supplies	.10
food @ .50 day	2.50
1/5 of crib (life of crib is five years)	.19
1 sheet, 1 blanket (life of sheeting is one year)	.04
office supplies	.04
first aid supplies	.06
educational supplies	1.00
Total	33.02

PATTERN FOR STAFFING, CHILDREN

20 Children enrolled

1 adult for each 10 children present at all times (Minimum standard required)
overall room ratio is 1:5.71
total ratio these children is 1:4 (assign .50 of director, clerk, janitor, cook, to these children)

40 hour week

1	6:00 ..	.....	Aide	..... 2:00		
1		7:00.....	.. Teacher	..... 3:00		
1			10:00	... Aide	.....	6:00
1/2				2:00	Aide	6:00
3 1/2	adult weeks for 20 children enrolled in room					

children usually present:

	3	10	18	20	19	14	2	
Activities	6:00	7:00	9:00	12:00	2:00		5:30	
Early arrivals Free Choice activity Breakfast								
Greet parents Counsel problem children Free choice activity								
Morning activity - indoors and outdoors wash 9:30 snack second activity period wash lunch								
Nap Planning Time Singing Dress								
Outdoors Story time Indoor activity 4:00 snack wash Afternoon activity or story hour								
Greet parents								

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Cost Breakdown: Children

Expense	Cost Per Child Per Week
.175 aides @ 106.00 (accounts for personnel child weeks in room)	18.55
1/20 of difference between aides' and teacher's pay at 132.00	1.30
1/3 of cot life of cot is about three years	.10
2 sheets and covers life of sheeting is about one year	.08
office supplies	.04
food	3.00
kitchen supplies	.29
outdoor equipment	.10
furnishings & indoor play equipment	.48
consumable educational supplies	1.00
Total	24.94

FORMULAE FOR ARRIVING AT BUDGET FIGURES 4C FOR CENTRAL FLA., INC. 1/77

SUPPLIES AND SERVICES

Office . . . $200 per center per year for centers up to 100 children with additional $100 for each additional 100 children.

Kitchen-Janitor . . . $15 per child per year for centers who do not use paper plates routinely. $20.00 per child for those who do.

Educational . . . $24.00 per child per year

Medical . . . $3.00 per child per year

Nursery . . . $15.00 per infant per year

Sheeting . . . $2.00 per child per year

Diaper Service . . . $52.00 per infant per year

EQUIPMENT

Playground . . . $5.00 per child per year (to accrue)
Cots . . . $10.00 per cot child per year, maximum.
Cribs . . . $40.00 for each three crib children per year, maximum.

Office and Program equipment cost for purchase replacement file cabinets, typewriter, adding machine, desk, chair, washer, dryer, duplicating machine, other . . . $2.00 per child per year.

OTHER

Care of equipment . . . $600 per center per year
Care of building . . . $10.00 per child per year
Utilities . . . as paid
Phone . . . as paid
Workmen's Comp., Unemployment, F.I.C.A. 10%
Rent . . . as paid
Meetings and conferences (staff training) $300.00 per year for Director, $75.00 per year for Lead teacher, $25.00 per year for each teacher, $10.00 per year for each aide
Parental involvement . . . $2.00 per child per year
Insurance . . . liability, fire, theft, as paid.
Children's medical $3.00 per child per year
Audit . . . $500.00 per center per year

Janitor . . . 25% of his time for 25 children
50% of his time for 50 children
100% of his time for 100 children

Clerk . . . none needed for less than 100 children
50% for 100 to 150 children
100% for more than 150 children
(clerk duties are sometimes combined, however, with cook or cook's aide)

Cook's aide . . . if the center serves breakfast . . . 100% of time
50% of time for center for 50 children or more,
up to 100 children, for center not serving breakfast
100% of time for center with over 100 children

PAY SCALES RECOGNIZED AS CUSTOMARY IN THIS AREA
COMMUNITY COORDINATED CHILD CARE FOR CENTRAL FLA., INC.
JAN. 1978

	40 hour week, 52 weeks year
DIRECTOR	
High School diploma or its equivalent	5,500- 7,000
A.A. Degree or its equivalent	6,500-10,000
Bachelor Degree	9,000-11,000
Master Degree	10,500-14,000

Experience in the field might increase the amount by $100.00 per year, up to the maximum.
(Degrees recommended in Social Work, Management, P.R. or Education)

LEAD TEACHER	
A.A. Degree or its equivalent in early childhood courses	6,000- 9,000
Bachelor Degree	7,500-10,000
Master Degree	9,500-11,500

Experience in the field and special training might increase the amount by $100.00 per year up to the maximum.

TEACHER	
Supervisory	
depending on degree, experience and performance	6,500- 9,000
TEACHER	
depending on experience, training and performance	5,000- 6,500

CLASSROOM AIDE	2.65 per hour to 4.00 per hour depending on experience, training, performance
COOK'S AIDE	2.65 per hour to 3.50 per hour
CLERK-RECEPTIONIST	2.65 per hour to 3.50 per hour
BOOKKEEPER-TYPIST	2.65 per hour to 3.50 per hour
JANITOR	2.65 per hour to 5.00 per hour

All personnel are hired and rates of pay established by the Boards and Sponsors of the separate centers.

COST BREAKDOWN 1978

COMPARISON OF TITLE XX REIMBURSEMENT TO CHILD CARE CENTER RATE SCHEDULES

4C Projects Department
Project Director: John Heimburg
3/78 - JD

This study compares Title XX reimbursement for children eligible through Community Coordinated Child Care for Central Florida, Inc. to what would have been spent from Title XX funds for the same children if their care had been purchased strictly from the center rate card, doing away with "maximum child day care rates" and receiving the benefit of discounts that centers offer their other families that enroll more than one child and pay their own costs. The study shows that purchase from the center rate card, although resulting in higher costs at some centers than is now allowed, would result is measurable savings to the 4C for Central Florida, Inc. program of nearly $17,000.00 annually.

RATE STUDY PROCEDURES

Actual Title XX reimbursement for a given period was compared to centers' published rate schedules. Reimbursement using the center rate card submitted for rate substantiation was calculated for each Title XX child enrolled, using the same number of days for payment as actually used for Title XX reimbursement during 1977. Parents' fees, of course, remain the same. This procedure does not allow payment of the full weekly fee regardless of number of days attended, as some centers charge. However, it was felt that the Title XX Enrollment Policy written by H.R.S. makes adequate allowance for payment on the basis of enrollment, requiring appropriate documentation for payment of excused absences. The payment period used in the study was December 1 through 15, 1977. Results were then extrapolated on a per diem basis to the full contract year.

Following are the lists of centers included in this study. Information listed includes the percentage of licensed spaces purchased by Title XX (from center Application Page), Title XX net reimbursement for the period, reimbursement for the period as calculated by the center rate card, and the total net loss or savings that this method of reimbursement would offer the program. Appendix A shows centers which would experience a difference in reimbursement using the center rate card. Appendix B shows the centers for which reimbursement would remain the same.

Centers at which more than 60% of the spaces were purchased by Title XX were excluded from this study. These centers are listed in Appendix C. We would suggest that whenever more than 60% of the children in a center are funded, some means of rate substantiation other than a center rate card or brochure be used to ensure the "reasonableness" of rates charged.

The best possible way to document that rates charged are reasonable would be to establish the range of rates charged in the surrounding geographic area for a comparable service, in centers where families are not largely funded. Factors used in determining a comparable service should include staffing ratios, participation in the food service program (U.S.D.A.), and whether the center pays rent or mortgage overhead.

The method of using market comparables as rate substantiation requires some familiarity with the center budgeting process, while avoiding the pitfalls of rate substantiation by submission of a line item budget. The latter procedure not only creates dangerous inequities between funded and non-funded children by the disallowance of certain expenditures, but also creates an unhealthy atmosphere for the budgeting process in which program costs that <u>are</u> allowable tend to escalate. Resulting programs tend to be less cost effective than comparable services offered on the open market.

CENTERS EXPERIENCING A DIFFERENCE IN REIMBURSEMENT USING CENTER RATE CARD

CENTER	% of licensed spaces purchased by Title XX	Actual Title XX Reimbursement 12/1-15/77	Offered "Additional Child" Discount	Amount of rates over maximum allowed reimbursement	Calculated Net Reimbursement	Possible Net Savings (+) Loss (-)
			ORANGE COUNTY			
AUNT DELORES'	.372	463.85	13.60		450.25	+13.60
BARTON'S	.089	722.81	55.22		667.59	+55.22
C.O.G. APOPKA	.200	308.53	22.00		286.53	+22.00
C.O.G. KIRKMAN	.130	706.01	89.60		616.41	+89.60
COLONIALTOWN	.400	910.73		18.70	929.43	-18.70
DEBUHR'S	.369	1628.30	57.20		1571.10	+57.20
EAST COLONIAL	.222	733.30	24.35		708.95	+24.35
FAIRBANKS	.060	882.21		26.26	908.47	-26.26
1ST PRESBYTERIAN	.298	1392.54		140.42	1532.96	-140.42
HYER STREET	.458	595.10		1.87	596.97	-1.87
JOLLYTIME "A"	.140	1056.55		40.92	1097.47	-40.92
JOLLYTIME "B"	.139	1474.11		48.47	1522.58	-48.47

CENTERS EXPERIENCING A DIFFERENCE IN REIMBURSEMENT USING CENTER RATE CARD

CENTER	% of licensed spaces purchased by Title XX	Actual Title XX Reimbursement 12/1-15/77	Offered "Additional Child" Discount	Amount of rates over maximum allowed reimbursement	Calculated Net Reimbursement	Possible Net Savings (+) Loss (-)
KIDDIE HAVEN	.184	356.95	6.60		350.35	+6.60
KILLARNEY	.148	328.77	10.56		318.21	+10.56
LAKE HILL BAPTIST	.348	1220.65	183.60		1037.05	+183.60
LA PETITE ACADEMY	.085	441.65		7.48	449.13	-7.48
LA PETITE CHILD CARE	.231	1828.86		128.70	1957.56	-128.70
LITTLE BO-PEEP	.228	1861.10	442.00		1419.10	+442.00
LITTLE FRIENDS CURRY FORD	.076	674.74	35.20	105.49	745.03	-70.29
LITTLE FRIENDS SILVER STAR	.094	1073.05	105.60	154.99	1122.44	-49.39
LITTLE FRIENDS TEXAS	.094	895.62	52.80	121.11	963.93	-68.31
MARGARET'S	.400	1195.42		7.31	1202.73	-7.31
MUFFETT	.082	663.93	50.60		613.33	+50.60
PERSHING	.075	372.24		11.22	383.46	-11.22
ROBINSWOOD	.093	959.31		7.48	966.79	-7.48

CENTERS EXPERIENCING A DIFFERENCE IN REIMBURSEMENT USING CENTER RATE CARD

CENTER	% of licensed spaces purchased by Title XX	Actual Title XX Reimbursement 12/1-15/77	Offered "Additional Child" Discount	Amount of rates over maximum allowed reimbursement	Calculated Net Reimbursement	Possible Net Savings (+) Loss (-)
SOUTHWOOD	.179	263.62	45.87		217.75	+45.87
SKY LAKE K.K.	.316	2164.88	92.40	102.55	2175.03	-10.15
ST. JOHN LUTHERAN	.162	579.59	26.40		553.19	+26.40
SUNSHINE (BABYLAND)	.203	782.23	77.00		705.23	+77.00
TODDLETYME	.048	568.31	33.00		535.31	+33.00
TYLER	.278	638.40	44.00	11.22	605.62	+32.78
WASH. SHORES PRESB.	.150	439.78	33.00		406.78	+33.00
WEE CARE NURSERY	.255	628.30	32.50	5.44	601.24	+27.06
SEMINOLE COUNTY						
FERN PARK NURSERY	.101	1080.64	71.50		1009.14	+71.50
LITTLE FRIENDS ALTAMONTE	.076	580.14	17.60	81.62	644.16	-64.02

CENTERS EXPERIENCING A DIFFERENCE IN REIMBURSEMENT USING CENTER RATE CARD

CENTER	% of licensed spaces purchased by Title XX	Actual Title XX Reimbursement 12/1-15/77	Offered "Additional Child" Discount	Amount of rates over maximum allowed reimbursement	Calculated Net Reimbursement	Possible Net Savings (+) Loss (-)
LITTLE FRIENDS FERN PARK	.094	1056.08	72.60	152.92	1136.40	- 80.32
MOTHER GOOSE	.231	1262.69		128.80	1391.49	-128.80
OVIEDO CHILD CARE	.375	1267.24	280.88		986.36	+280.88
PINECREST K.K.	.266	1280.08	12.00		1268.08	+ 12.00
PLAYCARE	.100	583.72	25.19	1.87	560.40	+ 25.32
TOTALS:						
ORANGE COUNTY		28,811.44	1,533.10	939.63	28,217.97	+593.47
SEMINOLE COUNTY		7,110.59	479.77	365.21	8,996.03	+114.56
TOTAL PROGRAM:		35,922.03	2,012.87	1,304.84	35,214.00	+708.03

TOTAL PROGRAM, POSSIBLE YEARLY SAVINGS (260 ENROLLMENT DAYS) 16,735.25

APPENDIX B

CENTERS FOR WHICH REIMBURSEMENT WOULD REMAIN THE SAME USING THE CENTER RATE CARD

CENTER	% of licensed spaces purchased by Title XX
ORANGE COUNTY	
BAMBI	.243
CHILDRENS RANCH	.454
CREATIVE LEARNING	.212
DOTTIE'S	.333
FIRST BAPTIST	.051
HURLEY'S	.397
INGRAMS	.281
LITTLE WONDER	.566
LOVETT'S	.375
MONTESSORI	.121
PARK LAKE PRESB.	.166
SMALL FRY (OAKRIDGE)	.128
SMALL FRY (SEMORAN)	.260
ST. JAMES	.116
SUNSET	.466
WASHINGTON ST.	.533
WEE KIDS	.266
ZION HAPPY HOUR	.547

APPENDIX B (continued)

CENTER	% of licensed spaces purchased by Title XX
SEMINOLE COUNTY	
A BABY'S WORLD	.315
A CHILD'S WORLD	.342
A SMALL WORLD	.482
LIL MISS & MASTERS	.240

APPENDIX C

CENTERS NOT INCLUDED IN RATES STUDY BECAUSE OF HIGH PERCENTAGE OF FUNDED CHILDREN ENROLLED

CENTER	% of licensed spaces purchased by Title XX
ORANGE COUNTY	
APOPKA CHILD DEV.	.413*
BOYS CLUB (RALEIGH)	.840
CARVER COURT	.777
EATONVILLE	.579*
LAKE MANN	.740
MARY'S	.809
NAZARENE PETER PAN	.553*
O.S.B.P.A.	.897
OUR SAVIOR	.533*
SALVATION ARMY	.818
TILDENVILLE	.720
TOTS IN TOYLAND	.666
W.A.S.A.R.	.601
WELBOURNE AVE.	.513*
Y-TRI-C APOPKA	.475*
Y-TRI-C HUNGERFORD	.667
Y-TRI-C IVEY LANE	.533*
Y-TRI-C TILDENVILLE	.466*

APPENDIX C (continued)

CENTER	% of licensed spaces purchased by Title XX	
ZELLWOOD DAY CARE	.547*	
	SEMINOLE COUNTY	
GOLDSBORO	.644	
JAX HEIGHTS	426*	
MIDWAY	.616	
ROSENWALD	.822	
MERTHIES	.528*	
RESCUE	.488*	
REST HAVEN	.666	
PROJECT HEAD START	.175	100% of "extended day" children
JACKSON'S DAY CARE	.417	

*Although spaces purchased are less than 60% of licensed capacity, the program has historically funded 80% or more of the children in attendance at these centers.

FLORIDA STANDARDS OF CHILD CARE PAYMENTS FOR PURCHASE OF CHILD CARE

Community Coordinated Child Care For Central Florida, Inc.

816 Broadway

Orlando, Florida 32803

Phone (305) 425-0509

Approved by 4C for Central Florida Board

February 28, 1978

It is the position of Community Coordinated Child Care for Central Florida, Inc.:

That there should be one minimum standard for the operation of child care facilities;

That the standard should be the same for all children in the State of Florida and should be enforced;

That the standard should be for the safety and protection of children as is the Florida Minimum Standard used for licensing child care facilities since 1975;

That any program which meets that standard, or betters it, should be eligible to sell space to the State and other agencies using public funds;

That no additional or separate standard should be applied to a facility which accepts in its enrollment children paid for with public funds, as this tends to segregate publicly funded children into concentrated welfare centers;

That when public funds are used to purchase care for eligible children, the agency should be allowed to purchase from any center which has been licensed by the State;

That when public funds are used to purchase care for eligible children from any state-licensed center, or day care home, that the payment for such service should be the same payment as made to that facility by its other fee-paying customers who pay their own full cost. (Thus allowing the open market competition to set the rate of payment), however:

That in those cases in which publicly subsidized children compose more than 70% of the enrollment of any one facility, a maximum allowable payment rate should be established each year for that facility which is based upon the budget prepared for that facility and the resultant weekly child rate, compared to similar services in the same geographic area.

It is further the position of Community Coordinated Child Care for Central Florida, Inc. that the State of Florida should realize the measurable cost saving which is available by eliminating the present maximum allowable rate of payment and instead, purchasing child care at State licensed centers, accepting the rate card cost at each center and including the offered reductions for additional children in the same family, and paying the market price for licensed care.